

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 11686 01 OF 02 181803Z

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05

SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 /101 W

-----102951 181856Z /53

R 181646Z JUL 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5954

INFO AMEMBASSY BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 1 OF 2 ROME 11686

FOR USEEC, USMTN

E.O. 11652: N/A

TAGS: ETRD, GATT, MTN, EEC, IT

SUBJECT: REVIEW OF US POSITION ON AUTOMATIC IMPORT LICENSING

REF: STATE 140759

SUMMARY. TO EMBASSY'S KNOWLEDGE ITALY'S AUTOMATIC LICENSING SYSTEM (AIL) IS APPLIED ONLY ON IMPORTS FROM EC COUNTRIES ORIGINATING IN NON-EC COUNTRIES AND IS USED ONLY TO BACK UP ITALY'S IMPORT LICENSING SYSTEM WHICH IS APPLIED TO CERTAIN PRODUCTS FROM CERTAIN NON-EC COUNTRIES. IN GENERAL, THE FUNCTIONS AND PURPOSES OF ITALY'S SYSTEM ARE NO MORE NOR LESS THAN THE FUNCTIONS AND PURPOSES OF ITS IMPORT LICENSING SYTEM. END SUMMARY.

1. MINISTERIAL DECREE OF MAY 6, 1976 PUBLISHED IN OFFICIAL GAZETTE NO. 157 AND ISSUED BY MINISTRY OF FOREIGN TRADE (MFT) JOINTLY WITH THE MINISTRY OF FINANCE (MOF), ESTABLISHED NEW LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 11686 01 OF 02 181803Z

REGULATIONS GOVERNING ITALY'S FOREIGN TRADE, EFFECTIVE JULY 1976. WITH THE EXCEPTION OF A LIMITED NUMBER OF ITEMS STILL REQUIRING MINISTERIAL LICENSE, IF ORIGINATING FROM CERTAIN AREAS OR COUNTRIES, THERE ARE NO QUANTITATIVE RESTRICTIONS ON ITALIAN IMPORTS. PRODUCTS SUBJECT TO MINISTERIAL LICENSE ARE LISTED IN ANNEX I ATTACHED TO THAT MINISTERIAL DECREE.

2. IMPLEMENTATION OF EC TREATY WHICH GRANTS FREE CIRCULATION RIGHTS TO MERCHANDISE WITHIN EC AREA, HOWEVER, HAS REQUIRED TO COMMUNITY TO ADOPT SEVERAL PRECAUTIONARY MEASURES AGAINST EVASION OF REMAINING RESTRICTIONS THAT EACH MEMBER STILL MAINTAINS IN REGARD TO IMPORTS FROM OUTSIDE EC AREA FOR SENSITIVE PRODUCTS. FOR THIS PRUPOSE THE MINISTERIAL DECREEE OF MAY 6, 1976 SETS-FORTH "FORMALITIES" FOR THE IMPORTATION OF CERTAIN PROKUCTS FROM CERTAIN COUNTRIES NOT SUBJECT TO LICENSING REQUIREMENTS. THE PRODUCTS AND AREAS OF ORIGIN SUBJECT TO THESE FORMALITIES ARE LISTED IN ANNEX II ATTACHED TO CIRCULAR NO. 22/76 OF NOV. 30, 1976 ISSUED BY MFT. THIS LIST CONTAINS ABOUT 110 MAIN TARIFF CLASSIFICATION ITEMS. ANNEX II OF CIRCULAR 22/76 OF NOVEMBER 30'76, WHICH IS THE LATEST LISTING AVAILABLE TO THE EMBASSY IS BEING SENT UNDER AN AIRGRAM IN REPOSE TO PARA 4C OF REFTEL. A COMPLETELY UP-DATED LIST IS NOT AVAILABLE. CAHNGES ARE USUALLY MADE BY MINISTERIAL DECREEE AND ARE, THEREFORE, A MATTER OF PUBLIC RECORD.

3. AMONG THESE REQUIREMENTS ARE SURVEILLANCE MEASURES WHICH CAN BE SEPARATED INTO "PRECAUTIONARY SURVEILLANCE" AND "CONTROL SURVEILLANCE" MEASURES, AS OUTLINE BELOW.

A. "PRECAUTIONARY SURVEILLANCE" PROCEDURES.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 11686 01 OF 02 181803Z

1. IMPORT DECLARATION:

A. SIMPLE IMPORT DECLARATION
(NOT REQUIRING OTHER DOCUMENTATION),
B. IMPORT DECLARATION ACCOMPANIED BY
COMMERCIAL INVOICE,
C. IMPORT DECLARATION ACCOMPANIED BY OTHER
REQUIRED DOCUMENTS (SUCH AS CUSTOM BILL(S)
OF PREVIOUS SIMILAR IMPPRT TRANSACTION)

2. VISA FROM THE ITALIAN INSTITUTE FOR FOREIGN
TRADE (AN AGENCY UNDER THE MFT) ON THE EXCHANGE
CONTROL FORM "BENESTARE BANCARIO" (AND ITALIAN
BANK LICENSE AUTHORIZING THE CURRENCY TRANSACTION).

B. "CONTROL-SURVEILLANCE" MEASURES.

1. IMPORT DECLARATION FOR PRODUCTS SUBJECT TO
REGULATIONS ESTABISHED UNDER INTERNATIONAL
AGREEMENTS PROVIDING FOR VOLUNTARY EXPORT QUOTAS.
2. AUTOMATIC IMPORT LICENSE (AIL).

4. IN ADDITION TO THESE MEASURES, AN IMPORT CERTIFICATE
SYSTEM HAS BEEN ESTABLISHED BY THE MFT IN ACCORDANCE

WITH REGULATION NO. 193/75 OF JANUARY 17, 1975 ISSUED
BY EC COMMISSION AND IS FOR THE REGULATION OF IMPORTS
OF AGRICULTURAL PRODUCTS IN ENTIRE COMMUNITY AREA
IN RELATION TO THE EUROPEAN (NOT JUST ITALIAN)
MARKET SITUATION.

5. AIL IS THE SURVEILLANCE MEASURE ADOPTED BY THE
ITALIAN GOVERNMENT FOR MONITORING IMPORTS FROM EC COUNTRIES
ONLY OF CERTAIN PRODUCTS ENJOYING FREE-CIRCULATION
RIGHTS IN THE COMMUNITY BUT ACTUALLY ORIGINATING FROM
CERTAIN NON-EC COUNTRIES AGAINST WHICH IMPORT RESTRICTIONS
ARE APPLIED. AIL IS THEREFORE A MEASURE TO GUARD AGAINST
POSSIBLE CIRCUMVENTION OF ITALY'S REMAINING
IMPORT RESTRICTIONS BY IRREGULAR "TRIANGULAR"
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 ROME 11686 01 OF 02 181803Z

TRANSACTION INVOLVING ANOTHER MEMBER STATE HAVING
NO RESTRICTIONS AGAINST THOSE PRODUCTS. WITHOUT AIL
ITALIAN IMPORTERS COULD GET AROUND THE LICENSE REQUIREMENT
APPLIED ON IMPORTS DIRECTLY FROM THE ACTUAL
COUNTRY OF ORIGIN.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 ROME 11686 02 OF 02 181753Z

ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 /101 W

-----102808 181856Z /53

R 181646Z JUL 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5955

INFO AMEMBASSY BRUSSELS

USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 2 OF 2 ROME 11686

6. THE AIL PROCEDURE REQUIRES THE SUBMISSION TO MFT OF AN APPLICATION WHICH MUST CONTAIN THE FOLLOWING INFORMATION: -) IMPORTER'S FULL NAME AND ADDRESS; 2) DESCRIPTION OF THE MERCHANDISE AS PER BTN TERMINOLOGY AND CLASSIFICATION NUMBER; 3) NET QUANTITY OF THE MERCHANDISE WITH CLEAR INDICATION OF THE MEASURING UNIT; 4) COUNTRY OF ORIGIN; 5) COUNTRY FROM WHICH THE MERCHANDISE WAS SHIPPED; 6) CUSTOM POST OF ENTRY; 7) CIF VALUE; 8) DATE OF MERCHANDISE ADMISSION INTO FREE CIRCULATION IN EC. THIS DATE JUST CORRESPOND TO THAT SHOWN ON THE FREE CIRCULATION CERTIFICATE); 9) INDICATION OF PURPOSE FOR TRANSACTION; 10) SIGNATURE OF IMPORTER OR OF HIS LEGAL REPRESENTATIVE.

7. UNDER CURRENT REGULATIONS THE MFT CANNOT REFUSE TO ISSUE AN AIL IF THE APPLICATION MEETS THE PRESCRIBED REQUIREMENTS. HOWEVER, IF, IN THE MINISTRY'S BELIEF, THE TRANSACTION MAY CAUSE SERIOUS DIFFICULTIES IN THE DOMESTIC MARKET, ARTICLE 115 (ESCAPE CLAUSE) OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 11686 02 OF 02 181753Z

EC TREATY ENTITLES ITALY TO APPLY TO THE COMMUNITY AUTHORITIES FOR USE OF THE ESCAPE CLAUSE.

8. DR. NICOLAI, ITALIAN NATIONAL ASSOCIATION OF IMPORTERS, STATED THAT HE HAS RECEIVED NO COMPLAINTS FROM ITALIAN IMPORTERS BECAUSE OF DELAYS DUE TO BUREAUCRATIC DIFFICULTIES. GOVERNMENT SOURCES, HOWEVER, DEALING WITH AND APARTICULARLY QUALIFIED IN SURVEILLANCE SYSTEMS STATED THAT USUALLY THERE IS NOT MUCH TRADE ENTERING ITALY UNDER AIL PROCEDURES. THEY SAID WHEN AN AIL APPLICATION INVOLVING SUBSTANTIAL AMOUNTS IS SUBMITTED TO MINISTRY, THE LATTER USUALLY HAD RECOURSE TO THE ESCAPE CLAUSE. ACCORDING TO AN MFT SOURCE, NOTABLE RECENT EXAMPLES OF RESORTING TO ESCAPE CLAUSE ACTION WERE ON RADIO SETS FROM JAPAN AND IRON AND STEEL PRODUCTS, FROM JAPAN. (PARA 4D REFTEL).

9. COMMENT. THE AIL IS NOT A PURELY STATISTICAL SYSTEM. IT IS A SURVEILLANCE MEASURE OF BOTH PRECAUTIONARY AND CONTROL NATURE. IT IS A SIMPLY PRECAUTIONARY MECHANISM UNTIL SUCH TIME AS ESCAPE CLAUSE ACTION IS TAKEN. IT APPEARS TO BE CONFINED TO ITEMS TRANSITING THE EC, WHICH IF THEY ENTERED ITALY DIRECTLY WOULD BE SUBJECT TO IMPORT LICENSING. IN REGARD TO POINT B, PARA 4 OF REFTEL, EMBASSY SEES NO ALTERNATIVE METHODS TO AIL SYSTEM. STATISTICAL SYSTEMS USED FOR ALL MERCHANDISE FREELY

IMPORTED IN ITALY WITH NO FORMALITIES AND BASED ON
INFORMATION FROM CUSTOM HOUSES COULD NOT BE CONSIDERED
SATISFACTORY TO MFT SINCE SUCH DATA IS AVAILABLE ONLY
WITH SEVERAL MONTHS DELAY. MFT NEEDS A CURRENT PICTURE
OF IMPORTS OF SENSITIVE PRODUCTS IN ORDER TO TAKE
PROMPT ACTION. IN RESPONSE TO POINT E REFTEL, IT IS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 11686 02 OF 02 181753Z

WORTH NOTING THAT BETWEEN LIST IN "ANNEX I" (PRODUCTS
SUBJECT TO IMPORT LICENSE) AND LIST OF PRODUCTS MARKED
"AA" IN "ANNEX II" (PRODUCTS SUBJECT TO AIL) THERE
SHOULD BE FULL CONCORDANCE. DISCREPANCIES, IF ANY,
BETWEEN THE TWO LISTS COULD REVEAL SOME DISCRIMINATION,
BUT SUCH A COMPARATIVE ANALYSIS WOULD REQUIRE
THE AVAILABILITY OF UPDATED LISTS. THE IMPORT LICENSING SYSTEM
ITSELF MAY BE DISCRIMINATORY IF IT IS USED TO DELAY OR
RESTRAIN IMPORTS, SINCE IT IS APPLIED TO EASTERN EUROPEAN
COUNTRIES, JAPAN AND LESS-DEVELOPED COUNTRIES MORE THAN TO
OTHER COUNTRIES. TO THAT EXTENT THE AIL SYSTEM WOULD REFLECT
THE BIAS IN THE IMPORT LICENSING SYSTEM.
THE "BENESTARE BANCARIO" HAS BEEN A REQUIREMENT FOR MANY
YEARS. IT IS A STATEMENT BY THE AUTHORIZED (BY BANK OF
ITALY) COMMERCIAL BANK THAT THE TRANSACTION IS IN
ACCORDANCE WITH ITALIAN FOREIGN EXCHANGE AND TRADE REGULATIONS
AND THAT PRICES SHOWN IN THE INVOICE REFLECT CURRENT
MARKET PRICES (TO HELP AVOID OVERINVOICING ON IMPORTS AND UNDER-
INVOICING ON EXPORTS). IT IS ISSUED AUTOMATICALLY AND IS
NOT USED TO RESTRICT TRADE.
GARDNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, POLICIES, TRADE CONTROLS, LICENSES
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ROME11686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770256-0145
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770747/aaaabofr.tel
Line Count: 257
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 87871d68-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 140759
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1828809
Secure: OPEN
Status: NATIVE
Subject: REVIEW OF US POSITION ON AUTOMATIC IMPORT LICENSING
TAGS: ETRD, US, IT, GATT, EEC, MTN
To: STATE USEEC
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/87871d68-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009